

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval
Under
Simplified Acquisition Procedures (SAP)
For Restricting Competition under FAR 13.106-1(b)(1) "Urgency"

1. **Contracting Activity:**

Department of Veterans Affairs, Network Contracting Office (NCO) 20, for Puget Sound, WA, Station 663.

2. **Nature and/or Description of the Action Being Processed:**

This procurement under PR # 663-11-4-113-0110, PO # VA260-12-P-0075, 663-C12169, was to repair the Parata pill dispensing robots, one each in Seattle and American Lake, WA, where in accordance with FAR 6.001(a), acquisitions conducted under FAR 13 for SAP are exempt from the requirements of FAR Part 6, but still require a justification using the format of FAR 6.303-2, IAW the VHA SOP for Other Than Full And Open Competition dated 3-22-2011. This was awarded as a verbal purchase order, firm fixed-unit price.

3. **Description of Supplies or Services Required to Meet the Agency's Needs:**

This contract was needed to expedite repairs on two Parata pharmacy robotic dispensing systems. The total estimated value of the acquisition is \$17,800.08. The period of performance is 9/28/2011 – 9/27/2012.

4. **Statutory Authority Permitting Restriction in Competition:**

The statutory authority for restricting competition under SAP, or Single Sourcing, for acquisitions under \$150,000 or Simplified Acquisition Threshold (SAT) is 41 U.S.C. 253(c), as implemented by FAR 13.106-1(b)(1). The specific reason for restricting competition is Urgency.

5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):**

Both pharmacy robotic systems were down and in need of repair. These systems fill outpatient prescriptions for veterans and ensure through picture verification that the proper pills are provided to the proper veteran, a key step for patient safety. These are the only two pharmacy dispensing systems on station and each downtime results in the inability to provide automated and verified prescription filling for outpatients. Both units were down at the time of the verbal award and were in need of emergency repairs.

6. **Description of Efforts Made to Ensure that Offers are Solicited from As Many Potential Sources as Deemed Practicable IAW FAR 13.104:**

Because the robotic systems are from Parata and the repairs must come from Parata, only Parata was contacted for a quote.

7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable – IAW FAR 13.106-3:**

Parata does not accept one time service Purchase Orders and will not accept less than a one-year maintenance contract. The VA is replacing both machines during this maintenance year. To get the emergency repairs performed, it was necessary to create a one-year maintenance contract. The cost of one-year maintenance is \$8,900 per machine. In return the VA received the urgent repairs and full service maintenance support on two robotic pharmacy dispensing systems, one each in Seattle and American Lake for one (1) year.

Parata has a NAC FSS with maintenance costs listed for various systems. The Seattle and American Lake system maintenance is not covered under NAC FSS prices. On the NAC FSS, Parata maintenance costs vary: \$5,000 - \$12,420.

Previous eCMS history shows 531-C99098, \$6,705 per year for maintenance of Boise's Parata Pharmacy robot maintenance. No information on price fair and reasonable was discernable within the contract file for this proprietary service.

653-C06071, CLIN 3, RDS-Universal Robotic Dispensing System Maintenance Agreement, was awarded under NAC FSS pricing, V797P-4796A for \$8,900.04. Again there is no discernable price fair and reasonable memo in the eCMS Briefcase, but the FSS number is used as the contract number, and the assumption is made that NAC approved the pricing.

The Contracting Officer is unable to accurately compare pharmacy robot systems to know that the price is fair and reasonable. Therefore, cost avoidance is also used to demonstrate price reasonableness.

The Parata Pharmacy robot system dispenses controlled substances. On 9/28/2011 the Pharmacy system was down. To dispense medication, human intervention would be necessary.

"Pharmacies and pharmacists owe patients a duty of care. When that duty is breached and that breach causes harm to the patient, a pharmacy is liable for damages, meaning the pharmacy and pharmacist have to compensate the patient and/or the patient's family for the resulting injuries or death."
<http://www.pritzkerlaw.com/section-medical-malpractice/medication-error/cvs-lawsuit--wrong-dose-medication.html>.

The price of one lawsuit for improperly filling medication prescriptions (for example, with 600 mg pills instead of 300 mg pills, or handing the prescription to the wrong patient) easily surpasses \$17,800.00 (the price of the maintenance for both machines. Considering the price of one lost life, cost avoidance demonstrates price reasonableness.

The combination of comparison with other prices paid (although without price fair and reasonable information) and cost avoidance information together demonstrate that the Parata quote is fair and reasonable. The proposed prices are in the best interest of the Government.

8. Description of the Market Research Conducted and the Results, or Statement of Reasons Market Research was not Conducted (FAR 10):

No market research was conducted due to the urgency of the requirement.

9. Any Other Facts Supporting the Restriction of Competition:

Parata is the manufacturer of this sophisticated high-tech equipment and is the sole vendor qualified on this dispensing equipment. The VA is leasing these devices from Parata. No other vendors can be found to support this repair, and Parata will not allow the use of other contractors for repairs if any should be found.

Parata has factory-trained and qualified service engineers that will work with trained on-site staff to provide diagnosis of equipment problems and symptoms and apply the correct service to return the system to total operation per the manufacturer's specifications.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:

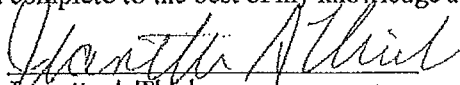
No sources expressed in writing an interest in the acquisition.

11. Statement of Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making Subsequent Acquisitions for the Supplies or Services Required:

Because these robots are Parata, the manufacturer will not allow the use of other contractors for repairs.

12. **Requirements Certification - IAW FAR 6.303-2(c):**

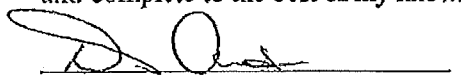
I certify that the requirement outlined in this justification is a bonafide need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.


Jeanette A. Thielen
Chief Biomedical Engineer
VA Puget Sound Health Care System.

3-16-2012
Date

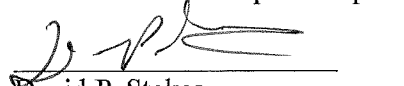
13. **Approvals IAW VHA SOP 3.22.11:**

- a. **Contracting Officer's Certification:** (required) I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.


DARLENE ANDERSON
Contracting Officer
NCO 20 Services Acquisitions Team

3-16-2012
Date

- c. **Acquisition Manager's Review and Approval:** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and recommend approval for other than full and open competition.


David P. Stokes
VISN 20 Service Team Manager

3/16/12
Date